

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



July 29, 1986

ALL COUNTY LETTER NO. 86-65

. TO: ALL COUNTY WELFARE DIRECTORS

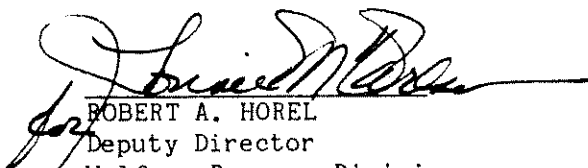
SUBJECT: OVERPAYMENT RECOUPMENT REGULATIONS (ORD #0186-02) AND NOTICE
OF ACTION (NOA) MESSAGE LANGUAGE

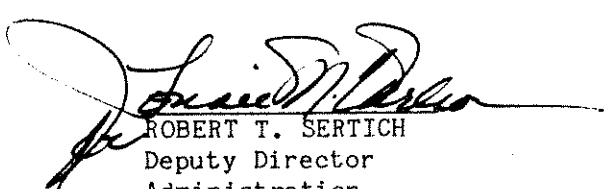
REFERENCE: ALL COUNTY LETTER NO. 86-53, DATED JUNE 17, 1986

This is to provide you with revised Fiscal Claiming Instructions (Attachment A) which supersede those contained in All County Letter (ACL) No. 86-53. This is also to instruct you not to use the general instructions on Grant Adjustment of Agency Error Overpayments and NOA Message M44-352Dt along with its continuation pages (M44-352Et and M44-352Ft) which were transmitted in ACL 86-53. The general instructions and the NOA Messages (M44-350Bt, M44-350Ct, M44-350Dt, M44-350E, M44-350F, M44-350G, M44-350H, M44-352H and M44-352J) associated with Excess Property Overpayments remain in effect.

We are in the process of revising the General Instructions on Grant Adjustment of Agency Error Overpayments and NOA Messages M44-352Dt, M44-352Et and M44-352Ft. Replacement instructions and NOA messages will be issued in a forthcoming ACL as soon as possible after they have been approved following the Turner review process.

If you have any questions regarding this matter, please contact Joe Carleton at (916) 324-2016 or ATSS 454-2016.


ROBERT A. HOREL
Deputy Director
Welfare Program Division


ROBERT T. SERTICH
Deputy Director
Administration

Attachment

cc: CWDA

FISCAL CLAIMING INSTRUCTIONS

When it is determined that the total grant for the month was established as an overpayment because the Assistance Unit (AU) had owned excess property while receiving aid in good faith, the following fiscal claiming action must be taken.

Fiscal Claiming Instructions For AFDC-FG/U

The county records of cash payments, i.e., authorization documents, payrolls, warrant registers, turnaround documents, etc., for the period of time during which the AU owned the excess property must be reviewed to determine the exact amount of the overpayment and the month(s) to which the overpayment is to be attributed.

The following example is used to clarify the instructions:

<u>Month of Grant</u>	<u>Property Owned</u>	<u>Grant</u>	<u>Excess Property</u>
May 1982	\$1050	\$500	\$ 50
June 1982	1050	500	50
July 1982	1100	500	100
August 1982	1100	500	100
September 1982	1200	500	200

In accordance with former MPP Section 44-352.112 which was effective April 2, 1982, the AU in the example above would have been found ineligible for five months and an overpayment of \$2,500 established; i.e., \$500 overpayment each month for May through September.

In accordance with current regulations, retroactive to April 2, 1982, the overpayment must be recomputed and an overpayment of only \$200 established for September 1982.

Any amount in excess of \$200 recouped through grant adjustment or cash collection must be refunded to the AU by issuing a supplemental warrant. The warrant will be claimed as a prior month supplemental warrant on Line 5 of the Summary Report of Assistance Expenditures, Aid to Families with Dependent Children, Form CA 800. If it is necessary to refund recoupment for more than one month, one or more warrants may be written, but the case record and the claim must reflect the appropriate amount per month. The supplement will be issued as an FG or a U supplement depending upon the aid type of the case when the excess property overpayment was recouped. For administrative ease, the refund of an amount previously reported as a repayment may be claimed as a prior month supplemental instead of an offset to the Repayment Contra Roll as required in MPP Handbook Section 25-740.10.

For any month of overpayment (i.e., any month the AU owned excess property and received a grant in good faith) the persons counts claimed with the grant for that month must be adjusted from federal to nonfederal. Such adjustments will be reflected on Line 9, Schedule of Adjustments, Form CA 800. Any overpayment amount which had been established as an Overpayment Receivable Account and not fully recouped, must be written off as an uncollectible account.

In the preceding example, if the monthly grants were made to an assistance unit which included at least one time eligible refugee/entrant, the grant amount and the persons counts for the month (the month(s) in which the AU had excess property) must be deleted from the Form DFA 844, Additional Federal Funds Claimable Based on the Nonfederal Share of Expenditures for Refugee and Entrant Recipients in Receipt of AFDC. The Office of Refugee Resettlement (ORR) will not participate in these payments.

Corrective payments (prior supplemental payments) issued to AUs to refund amounts which had been recovered through grant reduction will, in most instances, be claimed without persons counts because persons counts would previously have been claimed for the month(s) with the reduced grant(s). If it is necessary to claim persons counts, the persons counts, federal or nonfederal, will be claimed to reflect the eligibility status of that specific case for that specific month. The fact that the case had to be adjusted to nonfederal status for the month(s) of overpayment has no significance on the eligibility status of the case in the month for which the corrective payment is made.

Any of these corrective payments made to an AU containing at least one time eligible refugee/entrant should be carried forward to the Form DFA 844. The ORR will participate in these payments.

In an instance where the grant for the month of overpayment was repaid by cash payment in lieu of a grant adjustment, it will be necessary to claim nonfederal persons counts with the corrective payment. This corrective payment, because it is being issued and claimed for a month in which the AU owned excess property, cannot be claimed on the DFA 844 even though the AU may contain at least one time eligible refugee/entrant. The ORR will not participate in this payment.

Fiscal Claiming Instructions For EA/UP

If review determines that an overpayment of this type had been established for an EA-UP case, the grant amount and persons counts for that 30 day period must be deleted on Line 9, Schedule of Adjustments on the Summary Report of Assistance Expenditures, Emergency Assistance - Unemployed Parent, Form SOC 801. The federal persons counts and grant amount deleted must be reclaimed as nonfederal persons counts and aid on Line 9, Schedule of Adjustments on the Summary Report for the State-only AFDC-U Program, Form CA 800. The federal persons counts and grant amounts for any AU, identified in this review, which contained at least one time eligible refugee/entrant must be deleted from Line 1 of the current Form DFA 863,

Additional Funds Claimable Based on the Nonfederal Share of Expenditures for Refugee Resettlement and Cuban/Haitian Entrant Recipients in Receipt of Emergency Assistance - Unemployed Parent. The ORR will not participate in these payments.

Corrective payments (prior supplemental payments) which must be issued to AUs to refund amounts which had been recovered through grant reduction, will be claimed on Line 5 of the Form SOC 801. Corrective payments to refund grant amounts repaid by the recipient by cash payment in lieu of a grant adjustment must be claimed on Line 5 of the Form CA 800 with nonfederal persons counts. Instructions provided for AFDC FG/U corrective payments regarding ORR participation are applicable to EA/UP corrective payments.

Fiscal Claiming Instructions for RCA/ECA

For any month of overpayment (i.e., any month the AU owned excess property and received a grant in good faith) the persons counts and grant amount must be deleted on Line 9, Schedule of Adjustments of the Summary Report of Assistance Expenditures for the Refugee Cash Assistance Program (RCA) (Includes Entrants), Form DRA 846. It is necessary to delete the persons counts and grant amounts rather than adjust the persons counts to nonfederal participation because the form does not provide for nonfederal participation. In order to claim state participation the following procedure is required. On the Form DFA 846, in the space under Line 13(C), please type in the titles "Persons Counts", "Expenditures", "State" and "County". Multiply the expenditures by the State and County participating percentages of 89.2 percent state and 10.8 percent county. Enter all appropriate items under the appropriate titles.

Corrective payments (prior supplemental payments) which must be issued to AUs to refund amounts which had been recovered through grant reduction will be claimed on Line 5 of the Form DFA 846. Corrective payments to refund grant amounts repaid by the recipient by cash payment in lieu of a grant reduction will be claimed with persons counts in the area under Line 13(C). A separate payroll (manual, if necessary) must be submitted to substantiate any corrective payment claimed in the space under Line 13(C).

Fiscal Claiming Instructions for RDP:

Follow the instructions for AFDC FG/U.

Fiscal Claiming Instructions for All Programs

Warrants issued to correct an underpayment as determined in accordance with the provisions of MPP Section 44-352.411, as amended, must be issued and claimed in accordance with MPP Handbook Section 25-740.5.

If you have any questions related to these fiscal claiming instructions, please contact Willa Wallen of the Fiscal Policy and Procedures Bureau at (916) 322-9288 or ATSS 492-9288.